

AUTHORIZING THE SECRETARY OF THE INTERIOR TO SELL CERTAIN RIGHTS IN THE STATE OF FLORIDA

FEBRUARY 6, 1974.—Committed to the Committee of the Whole House
on the State of the Union and ordered to be printed

Mr. HALEY, from the Committee on Interior and Insular Affairs,
submitted the following

REPORT

[To accompany H.R. 10284]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H.R. 10284) to authorize the Secretary of the Interior to sell certain rights in the State of Florida, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Page 2, strike out all of lines 3, 4 and 5, and insert in lieu thereof the following:

made pursuant to this Act, and the administrative costs exceed the deposit, the Secretary shall bill the applicant for the outstanding amount, but if the amount.

PURPOSE

The purpose of H.R. 10284, introduced by Mr. Chappell, is to authorize the Secretary of the Interior to convey to the record owner thereof certain rights in lands in the State of Florida.

EXPLANATION AND NEED

H.R. 10284 directs the Secretary of the Interior to convey to the record owner thereof all right, title and interest in phosphate deposits reserved to the United States in certain land in Marion County, Fla. The bill directs the Secretary to require a deposit of money which he deems sufficient to cover the estimated administrative costs of the conveyance. If a conveyance is not made and the administrative costs exceed the deposit, the Secretary shall bill the applicant for the outstanding amount; however, if the costs are less than the deposit, the Secretary is directed to refund the excess.

An application for conveyance must be filed with the Secretary within 6 months of the date of approval of the bill. Payment of administrative costs and the fair market value of the interests to be conveyed must be made within the time specified by the Secretary. The money received for administrative costs shall be paid to the agency which rendered the service, and the money received for the mineral interests shall be paid into the general fund of the Treasury.

The subject land consists of about 8 acres and is located 1 mile south of the Ocala National Forest. The land is part of a larger tract patented to Mrs. Clyde F. Shields in May 1956, under Revised Statute 2455, as amended, 43 U.S.C. § 1171. The 8 acres are now owned by Mr. and Mrs. Buford Reedy of Umatilla, Fla.

The 1956 patent reserved the phosphate interests in the land to the United States. The Geological Survey indicates that the land has little value for phosphates and that testing would be necessary for a precise assessment of the value.

Mr. and Mrs. Reedy plan to develop the land as part of a mobile home park and the mineral reservation has prevented them from obtaining the necessary financing.

COMMITTEE AMENDMENTS

The committee amendments convert the bill to the form customarily used in this type of legislation.

Open public hearings were held on the bill on December 4, 1973, and no opposition to the bill was heard.

At the hearing the witness for the Department of the Interior testified that the Department would have no objection to passage of the bill if amended to provide for the payment of the administrative costs, plus the fair market value of the mineral, if any. Those amendments were made by the committee.

COST

No additional Federal expenditures are involved in the enactment of H.R. 10284.

COMMITTEE RECOMMENDATION

The Committee on Interior and Insular Affairs recommends enactment of H.R. 10284. The bill was unanimously ordered reported by a voice vote.

DEPARTMENTAL REPORTS

The favorable report of the Department of the Interior follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., December 3, 1973.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on H.R. 10284, a bill to authorize the Secretary of the Interior to sell certain rights in the State of Florida.

We have no objection to enactment of the bill if amended as suggested below.

H.R. 10284 would direct the Secretary of the Interior to convey to the record owner thereof all right, title and interest in phosphate deposits reserved to the United States in certain land in Marion County, Fla. The bill directs the Secretary to require a deposit of money which he deems sufficient to cover the estimated administrative costs of the conveyance. The deposit would constitute full payment of the administrative costs if a conveyance is not made, notwithstanding that the costs may exceed the deposit. However, if the costs are less than the deposit, the Secretary is directed to refund the excess. The conveyance would be made only if an application for conveyance is filed with the Secretary within 6 months of the date of approval of the bill and only upon payment of administrative costs and the fair market value of the interests to be conveyed. The money received for administrative costs would be paid to the agency which rendered the service, and the money received for the mineral interests would be paid to the Treasury.

The subject land consists of about 8 acres and is located 1 mile south of the Ocala National Forest. The land is part of a larger tract patented to Mrs. Clyde F. Shields in May 1956 under Revised Statute 2455 as amended, 43 U.S.C. § 1171. The 8 acres are now owned by Mr. and Mrs. Buford Reedy of Umatilla, Fla.

The 1956 patent reserved the phosphate interests in the land to the United States. The Geological Survey indicates that the land has little value for phosphates and that testing would be necessary for a precise assessment of the value.

We understand that there is a house located on the subject land. We have been advised that Mr. and Mrs. Reedy plan to develop the land as part of a mobile home park and that the mineral reservation has prevented them from obtaining the necessary financing.

This Department has adopted a policy of not objecting to a release of mineral interests reserved to the United States when the land is not valuable for the minerals reserved or the reservation would interfere with or preclude more beneficial development of the land than mineral development. The subject land appears to meet the latter criterion and we therefore have no objection to a release of the mineral interests.

As a policy, this Department recommends that legislation conveying mineral interests contain standard provisions so that all beneficiaries are treated alike, and so that the public interest will be protected by the assurance of payment of administrative costs and fair market value. H.R. 10284 contains this standard language except for section 2. That section releases the beneficiaries from payment of any administrative costs in excess of the sum deposited if a conveyance is not made. If this section is not amended, the deposit of a larger sum than is ordinarily required would be necessary in the event administrative costs are high. Administrative costs include the costs of conducting tests to determine the value of any deposits. Before testing, administrative costs cannot be estimated accurately because if deposits are found, the additional costs of determining their value can be substantial. For the convenience of the surface owners, we therefore recommend that the section be amended by changing lines 3 to 5 on page 2 to read as follows:

made pursuant to this Act, and the Administrative costs exceed the deposit, the Secretary shall bill the applicant for the outstanding amount, but if the amount.

The bill would then conform with the standard provisions recommended by the Department.

As you and your committee are aware, this bill is one of many that is introduced in every Congress to convey reserved mineral interests. This method of authorizing these conveyances is both cumbersome and costly. Section 206 of the administration's proposed National Resource Lands Management Act of 1973 (H.R. 5441) would authorize the Secretary of the Interior to make these conveyances for fair market value in accordance with the conditions and criteria described above. We urge prompt enactment of H.R. 5441 to authorize this and other improved methods of managing the public lands and Federal interests in lands.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

STEPHEN A. WAKEFIELD,
Assistant Secretary of the Interior.

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